Welcome to your Unit 2 Homework Assistance video. In this class, you are assigned exercises for each chapter. In this video, you will be reviewing a sample problem that will assist you as an example of how to approach your homework.

Chapter 1 outlines the need for payroll and personnel records. If employees are going to work, they have to be paid. The task of payroll processing has become more difficult as numerous regulations have been passed. Payroll processing now requires advanced knowledge in the area of payroll and allows no margin for error. A payroll accounting system is the only operation of a business that is almost completely governed by various federal, state, and local laws and regulations.

Processing payroll correctly is very important. In payroll we have to ensure compliance with many laws and regulations such as:

- **FAIR EMPLOYMENT LAWS**
  - Civil Rights Act of 1964
  - Executive Orders
  - Age Discrimination in Employment Act
  - Americans with Disabilities Act

- **OTHER FEDERAL LAWS AFFECTING THE NEED FOR PAYROLL AND PERSONNEL RECORDS**
  - Immigration Reform and Control Act of 1986
  - Family and Medical Leave Act of 1993
  - Uniformed Services Employment and Reemployment Rights Act of 1994
  - Employee Retirement Income Security Act of 1974
  - Disclosure Requirements

- **OTHER STATE LAWS AFFECTING THE NEED FOR PAYROLL AND PERSONNEL RECORDS**
  - Workers' Compensation Laws
  - State Disability Benefit Laws

There are also record keeping requirements that must be followed. For example, to meet the requirements of the FLSA, the employer must keep records providing the following information with respect to each employee's wages earned:

a. Day and time of day when workweek begins
b. Regular hourly rate of pay
c. Basis of wage payments
d. Hours worked each day
e. Hours worked each week
You will look at several questions that contain vital information for payroll. These questions are in the Questions for Review at the end of Chapter 1.

**Question 18: What procedures are usually included in a typical payroll accounting system?**

A typical payroll accounting system includes the following procedures:

- **a.** Record hours worked or units produced
- **b.** Compute gross pay, deductions, and net pay
- **c.** Complete payroll register
- **d.** Maintain payroll deduction records
- **e.** Update employees’ earnings records
- **f.** Prepare paychecks
- **g.** Record payroll in accounting books
- **h.** Prepare various payroll reports

**Question 19: What two basic records are generated in most payroll accounting systems?**

The two basic records generated in a payroll accounting system are the payroll register and the employee’s earnings record.

**Question 20: What uses are made of the information shown in the employees earnings record?**

The earnings record provides the information needed to prepare periodic reports required by the various laws and to complete Form W-2 for each employee.

If you have any questions about the requirements for this chapter, please contact your instructor by e-mail or by posting in the virtual office in the classroom.
Chapter 1 Solution for Jing

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20. The earnings record provides the information needed to prepare periodic reports required by the various laws and to complete Form W-2 for each employee.